OYO Hotels and Homes Private Limited

(Formerly known as Alcott Town Planners Private Limited)

Statutory Financial Statements for year ended March 31, 2019

4th Floor, Office 405
World Mark - 2, Asset No. 8
IGI Airport Hospitality District, Aerocity
New Delhi - 110 037, India
Tel : +91 11 4081 9500

INDEPENDENT AUDITOR'S REPORT

To the Members of OYO Hotels and Homes Private Limited (Formerly known as Alcott Town Planners Private Limited)

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of OYO Hotels and Homes Private Limited (Formerly known as Alcott Town Planners Private Limited) ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Director's Report is not made available to us at the date of date of this auditor's report. We have nothing to report in this regard.

S.R. Batliboi & Associates LLP
New Delhi

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

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New Delhi

auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;

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(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Yogesh Midha
Partner
Membership Number: 94941
UDIN: 19094941AAAACR4557
Place of Signature: New Delhi
Date: July 30, 2019

S.R. Batliboi & Associates LLP * New Delhi *

Annexure 1 referred to in paragraph (1) of report on the other legal & regulatory requirement of our report of even date

Re: OYO Hotels and Homes Private Limited (Formerly known As Alcott Town Planners Private Limited) ('the company')

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information and explanation given by the management, there is no immovable properties, included in property, plant and equipment/fixed assets of the Company and accordingly, the requirements under paragraph 3(i) (C) of the order are not applicable to the Company.

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

v. The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of deposits) Rules, 2014(as amended). Accordingly, the provisions of Clause 3(V) of the order are not applicable.

vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

vii. a) The Company is regular in depositing with statutory authorities undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, sales tax, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provision of custom duty and excise duty are not applicable to the Company.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, , service tax, sales-tax, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provision of custom duty and excise duty are not applicable to the Company.

c) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, value added tax, Goods and service tax and cess which has not been deposited on account of any dispute.

S.R. Batliboi & Associates * New Delhi

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

ix. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanation given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates, New Delhi

per Yogesh Midha
Partner
Membership Number: 94941
UDIN: 19094941AAAACR4557
Place of Signature: New Delhi
Date: July 30, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF OYO HOTELS AND HOMES PRIVATE LIMITED (FORMERLY KNOWN AS ALCOTT TOWN PLANNERS PRIVATE LIMITED)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of OYO Hotels and Homes Private Limited (Formerly known as Alcott Town Planners Private Limited) ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

S.R. Batliboi & Associates LLP New Delhi

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP * New Delhi

per Yogesh Midha
Partner
Membership Number: 94941
UDIN: 19094941AAAACR4557
Place of Signature: New Delhi
Date: July 30, 2019

OYO Hotels and Homes Private Limited (Formerly known as Alcott Town Planners Private Limited)
CIN: U74900GJ2015PTC107035
Balance sheet as at 31 March 2019
(Amount in Indian Rupees Millions, unless stated otherwise)

	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,352.20	436.96
Capital work-in-progress	3	127.21	17.58
Goodwill	4	69.84	69.84
Intangible assets	4	0.02	0.09
Financial assets			
(i) Other financial assets	5A	152.77	48.12
Non-current tax assets (net)	6	52.59	12.69
Other non-current assets	12A	113.32	11.67
Tota non current assets		1,867.95	596.95
Current assets			
Inventories	7	61.10	26.37
Financial assets			
(i) Investments	8	176.47	534.10
(ii) Trade receivables	9	12.93	0.57
(iii) Cash and cash equivalents	10	104 42	21.61
(iv) Bank balances other than cash and cash equivalents	11	60.50	11.00
(v) Other financial assets	5B	324.36	24.02
Other current assets	12B	784.79	200.24
Tota current assets		1,524.57	817.91
Total assets		3,392.52	1,414.86
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1.86	1.86
Other equity			
Equity component of convertible preference shares	13	225.65	207.63
Retained earnings	14	(1,723.46)	(694.69)
Securities premium	14	1,520.02	538.54
Other reserve	14	20.73	20.73
Total equity		44.80	74.07
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	15	-	88.35
Long term provisions	16A	0.70	0.57
Other non-current liabilities	17	36.07	14.64
Total non-current liabilities		36.77	103.56
Current liabilities			
Financial Liabilities			
(i) Trade payables			
(a) total outstanding dues of micro and small enterprises	18	1.53	0.67
(b) total outstanding dues of creditors other than micro and small enterprises	18	3,088.84	1,021.95
(ii) Other financial liabilities	19	95.44	204.36
Net employee benefit liabilities	16B	0.01	1.24
Other current liabilities	20	125.13	9.01
Total current liabilities		3,310.95	1,237.23
Total liabilities		3,347.72	1,340.79
Total equity and liabilities		3,392.52	1,414.86

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration No.: 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership No. 94941

S.R. Batliboi & Associates LLP * New Delhi *

Place: New Delhi
Date: 30 July 2019

For and on behalf of the board of directors of
OYO Hotels and Homes Private Limited

Abhishek Gupta
Director
DIN :07406331

Anuj Tejpal
Director
DIN : 07505290

Shivam Kumar
Company Secretary
Membership No. 37514

OYO Hotels And Homes Private Limited *

Place:
Date:

OYO Hotels and Homes Private Limited (Formerly known as Alcott Town Planners Private Limited)
CIN: U74900GJ2015PTC107035
Statement of profit and loss for the year ended 31 March 2019
(Amount in Indian Rupees Millions, unless stated otherwise)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
INCOME			
Revenue from contracts with customers	21	5,359.36	1,580.41
Other income	22	28.91	12.43
Total income (I)		5,388.27	1,592.84
EXPENSES			
Operating expenses	23	4,814.41	1,387.01
Employee benefits expense	24	354.80	101.58
Depreciation and amortization expense	26	308.08	105.69
Finance cost	25	38.15	76.73
Other expenses	27	902.10	289.05
Total expenses (II)		6,417.54	1,960.06
Loss before tax (I-II)		(1,029.27)	(367.22)
Income tax expense		-	-
Loss for the year		(1,029.27)	(367.22)
Other Comprehensive Income			
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurement gains on defined benefit plans	28	0.50	0.05
Total other comprehensive income for the year, net of tax		0.50	0.05
Total comprehensive loss for the year, net of tax		(1,028.77)	(367.17)
Loss per equity share			
Nominal value of share INR 10 (31 March 2018: INR 10)			
Basic loss per share (in INR) computed on the basis of loss for the year attributable to equity holders of the company	29	(0.01)	(0.00)
Diluted loss per share(in INR) computed on the basis of loss for the year attributable to equity holders of the company	29	(0.01)	(0.00)

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration No.: 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership No. 94941

S.R. Batliboi & Associates New Delhi

Place: New Delhi
Date: 30 July 2019

For and on behalf of the board of directors of
OYO Hotels and Homes Private Limited

Abhishek Gupta
Director
DIN :07406331

Anuj Tejpal
Director
DIN : 07505290

Shivam Kumar
Company Secretary
Membership No. 37514

OYO Hotels And Homes Private Limited

Place:
Date:

OYO Hotels and Homes Private Limited (Formerly known as Alcott Town Planners Private Limited)
CIN: U74900GJ2015PTC107035
Statement of Cash Flow Statement for the year ended on 31 March 2019
(Amount in Indian Rupees Millions, unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities:		
Loss before tax	(1,029.27)	(367.22)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	308.08	105.69
Loss on disposal of fixed assets (net)	0.00	17.63
Provision for doubtful advance	25.86	3.50
Provision for expected credit loss	20.18	-
Other comprehensive income	0.50	0.05
Fair valuation of mutual funds	(7.37)	(2.73)
Interest income on security deposits	(4.99)	(3.37)
Income on sale of mutual funds	(12.21)	(5.16)
Interest income	(2.60)	(1.17)
Interest expense	36.09	73.13
Operating loss before working capital changes	**(665.73)**	**(179.65)**
Movements in working capital :		
Increase in trade payables	2,067.75	906.40
Increase in other non financial liabilities	137.55	3.85
Increase/(decrease) in provisions	(1.11)	0.97
(Increase) in other financial assets	(436.28)	(34.12)
(Increase) in other non financial assets	(686.20)	(164.00)
(Increase) in inventories	(34.74)	(26.37)
(Increase) in trade receivables	(32.55)	(0.51)
Cash from operations	**348.69**	**506.57**
Direct taxes paid (net of refunds)	(39.86)	(12.02)
A. Net cash from operating activities	**308.83**	**494.55**
Cash flows from investing activities		
Purchase of fixed assets (including intangibles)	(1,351.66)	(607.52)
Addition in capital work in progress (net of sale)	(109.63)	
Proceeds from sale of fixed assets	178.41	-
Purchase/sale of investments (net)	377.21	(374.30)
Interest received	2.65	0.98
Investment in fixed deposits (having maturity more than 3 months)	(39.14)	(1.30)
B. Net cash (used in) investing activities	**(992.16)**	**(982.14)**
Cash flow from financing activities		
Proceeds from issuance of equity share capital including share premium	-	33.33
Proceeds from issuance of preference share capital	18.02	466.44
Proceeds from security premium on issuance of share capital (net of share issue expenses)	981.48	
Interest paid	(36.09)	(73.13)
Repayment of long term borrowing	(197.27)	(185.07)
C. Net cash flow from financing activities	**766.14**	**241.57**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**82.81**	**(246.02)**
Cash and cash equivalents at the beginning of the year	21.61	267.63
Cash and cash equivalents at the end of the year	**104.42**	**21.61**
Components of cash and cash equivalents		
Cash on hand	24.58	4.44
With banks:		
on current accounts	76.21	17.17
on deposit accounts	3.63	-
Total cash and cash equivalents (refer note 10)	**104.42**	**21.61**

Changes in liabilities arising from financing activities for the year ended 31 March 2019

Particulars	1 April 2018	Payments (net)	31 March 2019
Long term borrowings (including current maturities of long term loan)	292.71	(197.27)	95.44
Total	**292.71**	**(197.27)**	**95.44**

Changes in liabilities arising from financing activities for the year ended 31 March 2018

Particulars	1 April 2018	Payments (net)	31 March 2019
Long term borrowings (including current maturities of long term loan)	477.78	(185.07)	292.71
Total	**477.78**	**(185.07)**	**292.71**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration No.: 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership No. 94941

S.R. Batliboi & Associates LLP * New Delhi *

Place: New Delhi
Date: 30 July 2019

For and on behalf of the board of directors of
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Director
DIN :07406331

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DIN : 07505290

Shivam Kumar
Company Secretary
Membership No. 37514

OYO Hotels And Homes Private Limited *

Place:
Date:

OYO Hotels and Homes Private Limited (Formerly known as Alcott Town Planners Private Limited)
CIN: U74900GJ2015PTC107035
Statement of changes in equity for the year ended 31 March 2019
(Amount in Indian Rupees Millions, unless stated otherwise)

a. Share capital

Particulars	Equity shares	
	No. of shares	Amount
As at 1 April 2017	1,86,055	1.86
Issue of share capital (refer note - 13 (a))	-	-
At 31 March 2018	1,86,055	1.86
Issue of share capital (refer note - 13 (a))	-	-
At 31 March 2019	1,86,055	1.86

b. Other equity

	Equity component of convertible preference share capital (Note 13)	Reserves & Surplus		Equity contribution from holding company	Total
		Securities premium	Retained earnings including OCI		
As at 31 March 2017	174.30	72.10	(327.52)	20.73	(60.39)
Loss for the year	-	-	(367.17)	-	(367.17)
Total comprehensive loss	-	-	(367.17)	-	(367.17)
Add : Issued during the year	33.33	-	-	-	33.33
Add : Addition on issue of CCPS during the year	-	466.67	-	-	466.67
Less: Share issue expenses	-	(0.23)	-	-	(0.23)
Less: Preference dividend	-	(0.00)	(0.00)	-	(0.00)
As at 31 March 2018	207.63	538.54	(694.69)	20.73	72.21
Loss for the year	-	-	(1,028.77)	-	(1,028.77)
Total Comprehensive Loss	-	-	(1,028.77)	-	(1,028.77)
Add : Issued during the year	18.02	-	-	-	18.02
Add : Addition on issue of CCPS during the year	-	981.98	-	-	981.98
Less: Share issue expenses	-	(0.50)	-	-	(0.50)
Less: Preference dividend	-	-	(0.00)	-	(0.00)
As at 31 March 2019	225.65	1,520.02	(1,723.46)	20.73	42.94

The accompanying notes are an integral part of the standalone financial statements

For S.R. Batliboi & Associates LLP
Firm Registration No.: 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership No. 94941

S.R. Batliboi & Associates LLP * New Delhi *

Place: New Delhi
Date: 30 July 2019

For and on behalf of the board of directors of
OYO Hotels and Homes Private Limited

Abhishek Gupta
Director
DIN :07406331

Anuj Tejpal
Director
DIN : 07505290

Shivam Kumar
Company Secretary
Membership No 37514

OYO Hotels And Homes Private Limited *

Place:
Date:

Background

OYO Hotels and Homes Private Limited (Formerly known as Alcott Town Planners Private Limited) ("the 'Company") is a private limited company domiciled in in India and incorporated under the provisions of Indian Companies Act, 2013, with its registered office situated at Ground Floor-001, Mauryansh Elanza, Shyamal Cross Road, NR. Parekh Hospital, Satelite Ahmedabad, Gujarat-380015. The Company is a wholly owned subsidiary of Oravel Stays Private Limited. The Company is primarily engaged in business of managing and operating hotels, long term and short term stay homes, guest houses and such other accommodations including ancillary services providing an affordable and predicable stay experience to customer. Further the Company is also engaged in providing technical know-how and training in field of operations and management of hotels motels etc. and in marketing and managing hotels and other boarding and/or lodging services.

1. Basis of preparation

A. Statement of compliance

These financial statements ('financial statements') have been prepared to comply in all material aspects with the Indian Accounting Standard ('IndAs') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

The financial statements are approved for issue by the Company's Board of Directors on 26 July 2019.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements, except in case of adoption of any new standards during the year.

Details of the Company's accounting policies are included in Note 2.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities – Refer accounting policy regarding financial instrument)	Fair Value/ Amortised cost
Net defined benefit (asset)/ liability	Present value of defined benefit obligations

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on this basis.

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D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates and judgements are:

i. Estimation of useful life of property, plant and equipment and intangibles - Useful lives of Property, plant and equipment & Intangible Assets (other than the life prescribed under Schedule II of the Companies Act, 2013) are estimated based on internal technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes. All these evaluations and assessments involve judgements on part of the management. Refer note 38 for further disclosure.

ii. Estimation of defined benefit obligation - Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations. Refer note 30 for further disclosures.

iii. Key estimation relating to fair value measurements - When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models and the discount rates are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 36 for further disclosures.

iv. Key estimation relating to amortisation of launch expense - Launch expenses includes expenditure incurred before active operation/launch of new property. Period of amortisation is estimated based on internal technical evaluation, taking into account the nature of expenditure, the recoverability from property owners and past history of replacement of items required for launch of property. All these evaluations and assessments involve judgements on part of the management

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in most advantageous market for the asset of liability

All assets are liabilities for which fair value is measured or disclosed in the financial statements are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the respective notes.

2. Significant accounting polices

A. Current/ non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

Assets

An asset is classified as current when:

i. It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
ii. it is expected to be realised within twelve months from the reporting date;
iii. it is held primarily for the purposes of being traded; or
iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current

Liabilities

A liability is classified as current when:

i. it is expected to be settled in the Company's normal operating cycle;
ii. it is due to be settled within twelve months from the reporting date;
iii. it is held primarily for the purposes of being traded; or
iv. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current vs non-current classification of assets and liabilities.

B. Foreign currency transactions

In preparing the financial statements of Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

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Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; these are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

C. Financial instruments

i. Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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D. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use.

The cost comprises purchase price, freight, expenditure incurred towards transformation of hotel including salary cost of transformation employees, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Gains or losses arising from derecognition of plant, property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation on plant, property and equipment is calculated on straight-line basis using the rates prescribed under Schedule II to the Companies Act, 2013 as it coincide with useful life of assets.

Asset	Useful life
Plant and machinery	15 years
Hotel on-site equipment	5 years
Board & Signage	2 years
Furniture and fixtures	8 years
Computers	3 years
Lease hold improvements	Over the unexpired non-cancellable period of lease or useful lives, whichever is lower

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

E. Intangible assets

i. Recognition and measurement
Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Amortisation

Intangible assets are amortized on a straight line basis over the estimated economic useful life of 3 years. The estimated useful life of an identifiable intangible asset is dependent on many factors such as effects of obsolescence, demand, competition and other economic factors.

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

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Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

F. **Business Combination**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

G. **Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or Company's of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

H. **Inventories**

Inventories are valued at the lower of cost and estimated net realizable value. Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to effect the sale.

I. **Impairment**

i. **Impairment of financial instruments**

The Company recognises loss allowances for expected credit losses on:

- Financial assets measured at amortised cost; and
- Financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime expected credit losses (ECL). For all other financial assets expected credit losses are measured at an amount equal to the 12 month expected credit losses, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

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Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

ii. **Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

J. **Employee benefits**

i. **Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

ii. **Post-employment benefits and other long term employee benefits**

Provident Fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund administered by the Central Government under the Provident Fund Act, 1952, are charged to the statement of profit and loss for the year in which the contributions are due. The company has no obligation, other than the contribution payable to the provident fund. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment.

Gratuity: The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

▶ Net interest expense or income

K. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

L. Revenue from contracts with customers

Effective April 1, 2018, the Company adopted IND AS 115, Revenue from Contracts with Customers, using the retrospective method. In accordance with the retrospective adoption method, the comparatives figures for the year 2017-18 has been adjusted wherever required.

As per new standard's requirement, revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration that we expect to receive in exchange for those products or services.

Judgment is required in determining whether the Company is the principal or agent in transactions with hotel partners and end-users. The Company evaluates the presentation of revenue on a gross or net basis based on whether it controls the service provided to the end-user and is the principal (i.e. "Gross"), or the Company arranges for other parties to provide the service to the end-user and is an agent (i.e. net").

Revenue from sale of accommodation service

Revenue from sale of accommodation services is recognized on gross basis as Company gains Control on stay services before providing it to customer. Company consider itself as Principal in arrangement as it assumes obligations towards performance of stay services to end customer including the acceptability of the services, takes a significant amount of risk in the service delivery of the room stays due to committed assured benchmark revenues and investment made in transformation of properties and finally enjoys latitude in establishing price for stay services. Revenue from sale of accommodation services are recognized on basis of used room nights by end customers, on accrual basis to the extent that it is probable that the economic benefit will flow to the Company and it can be reliably measured.

Revenue is recognized net of cancellations, refunds, discounts, incentives and taxes payable by the Company.

Cancellation income and other fee related to sale of accommodation services are recognized on ascertainment basis.

Revenue from sale of foods

Revenue from sale of food items is recognized on gross basis as Company consider itself as Principal in arrangement as it assumes obligations towards supplying food items to end customer. Revenue from food services are recognized post supply of food items to end customer.

The Company collects taxes such as Goods & Service Tax on behalf of Government and, therefore, these are not economic benefits to the Company. Hence, they are excluded from revenue.

Interest

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where

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appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Trade receivables and contractual balances

The Company classifies the right to receive consideration in exchange for services as either trade receivable or unbilled revenue. Accommodation revenue in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue).

Unbilled revenue

Unbilled revenue represents the gross unbilled amount expected to be realised from customers for services rendered upto the reporting date, and is measured as per the contractual terms under arrangements entered with the customers.

Contractual liabilities

Contract liabilities are primarily from customer advance for which services are yet to be rendered on the reporting date either in full or in parts.

M. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

For arrangements entered into prior to April 1, 2016 the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

N. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

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- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

O. Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

P. Launch expenses

Launch expenses includes expenditure incurred before active operation/launch of new property. Launch expenses are generally associated with one time activity which is amortized over the period of two years.

Q. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and taxes applicable) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue that have changed the number of outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

R. Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

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S. Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

a. Ind AS 116 – Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating its impact on the financial statements.

b. Appendix C to Ind AS 12- Uncertainty over income tax treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:
- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date.

c. Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:
- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

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An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

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(Amount in Indian Rupees Millions, unless stated otherwise)

3. Property, plant & equipment

	Leasehold Improvements	Boards & Signage	Plant and machinery	Computers	Hotel on-site equipments	Furniture and fixtures	Total	Capital work in progress
Gross carrying amount								
At 1 April 2017	43.73	-	0.70	4.47	15.86	12.26	77.02	-
Additions	328.74	6.02	1.42	1.83	121.48	55.24	514.73	17.58
Acquisition of assets on business combination	-	-	0.20	0.09	1.84	3.24	5.37	-
Disposals	18.86	0.17	0.08	0.54	6.05	5.53	31.23	-
At 31 March 2018	353.61	5.85	2.24	5.85	133.13	65.21	565.89	17.58
Additions	623.81	28.67	0.87	29.51	510.08	158.72	1,351.66	127.21
Disposals*	113.22	1.10	0.82	0.70	19.66	20.89	156.39	-
Capitalized during the year	-	-	-	-	-	-	-	17.58
At 31 March 2019	864.20	33.42	2.29	34.66	623.55	203.04	1,761.16	127.21
Accumulated Depreciation								
At 1 April 2017	32.58	-	0.03	0.91	2.28	1.11	36.91	-
Charged for the year	73.59	1.32	0.10	1.72	24.77	4.12	105.62	-
Disposals	10.36	0.04	0.01	0.29	1.82	1.08	13.60	-
At 31 March 2018	95.81	1.28	0.12	2.34	25.23	4.15	128.93	-
Charged for the year	177.14	5.82	0.12	5.27	105.04	14.62	308.01	-
Disposals	24.74	0.25	0.05	0.10	1.86	0.98	27.98	-
At 31 March 2019	248.21	6.85	0.19	7.51	128.41	17.79	408.96	-
Net carrying amount								
At 31 March 2018	257.80	4.57	2.12	3.51	107.90	61.06	436.96	17.58
At 31 March 2019	615.99	26.57	2.10	27.15	495.14	185.25	1,352.20	127.21

Asset under construction
Capital work in progress as at 31 March 2019 comprises leasehold work in progress at properties

*Refer note 43 for further detail.

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(Amount in Indian Rupees Millions, unless stated otherwise)

4. Intangible assets

	Goodwill	Software	Total
Gross carrying amount			
At 1 April 2017	-	0.22	0.22
Purchase	69.84	-	69.84
Disposals	-	-	-
At 31 March 2018	69.84	0.22	70.06
Purchase	-	-	-
Disposals	-	-	-
At 31 March 2019	69.84	0.22	70.06
Accumulated Amortization			
At 1 April 2017	-	0.06	0.06
Charged for the year	-	0.07	0.07
Disposals	-	-	-
At 31 March 2018	-	0.13	0.13
Additions	-	0.07	0.07
Disposals	-	-	-
At 31 March 2019	-	0.20	0.20
Net carrying amount			
At 31 March 2018	69.84	0.09	69.93
At 31 March 2019	69.84	0.02	69.86

Net book value	**31 March 2019**	**31 March 2018**
Goodwill	69.84	69.84
Other intangible assets	0.02	0.09
Total	**69.86**	**69.93**

Refer Note 15 for charge created against assets

Acquisition during the previous year

During the year ended 31 March 2018, pursuant to business transfer agreement with M/s Novascotia Boutique Homes, the Company had acquired the business of leasing and running corporate service apartments and guest houses. Specific assets were acquired as part of business transfer agreement including lease contracts. Purchase consideration payable as part of business transfer agreement is INR 89.0 million, thereby resulting in goodwill of INR 69.8 million.

Impairment testing of goodwill

Management assess any impairment on goodwill at the end of each reporting period based on the expected economic benefits. The estimates used for the assessment is based on number of factors including future growth, demand, internal assessment of user experience and other economic factors. As at 31 March 2019, the recoverable amount of goodwill exceeds its carrying value; and hence no impairment is recognized.

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CIN: U74900GJ2015PTC107035
Notes to financial statements for the year ended 31 March 2019
(Amount in Indian Rupees Millions, unless stated otherwise)

5A. Other financial assets- Non current

	As at 31 March 2019	As at 31 March 2018
Non-current bank balances (refer note 11)	0.16	10.53
Security deposits	152.61	37.59
Total non current financial assets	152.77	48.12

5B. Other financial assets- Current

	As at 31 March 2019	As at 31 March 2018
Security deposits		
- Unsecured, considered good	9.27	10.36
- Unsecured, considered doubtful	4.99	1.43
	14.26	11.79
Less: Allowance for expected credit loss	(4.99)	(1.43)
	9.27	10.36
Other amounts recoverable in cash or in kind for value to be received		
- Unsecured, considered good*	288.08	5.50
	288.08	5.50
Unbilled revenue	26.25	7.35
Interest accrued on bank deposits	0.76	0.81
	27.01	8.16
Total	324.36	24.02

*include receivable from related party INR 199.44 million (31 March 2018: Nil)- refer note 32

6. Non-current tax assets (net)

	As at 31 March 2019	As at 31 March 2018
Advance income tax	52.59	12.69
Total	52.59	12.69

7. Inventories

	As at 31 March 2019	As at 31 March 2018
Hotel consumables (at lower of cost or net realizable value)	61.10	26.37
Total	61.10	26.37

. Current investments

	As at 31 March 2019	As at 31 March 2018
n-quoted investments		
90,312 (31 March 2018: 90,312) units of Aditya Birla SL Savings Direct- Growth	33.57	31.06
334,053 (31 March 2018: 978,243) units of ICICI Prudential Liquid Plan Direct -Growth	92.34	251.54
1,082 (31 March 2018: 59,317) units of Reliance Liquid Direct-Growth	50.56	251.50
otal investments at fair value through profit or loss	176.47	534.10
ggregate book value of unquoted investments	176.47	534.10
Aggregate market value of unquoted investments	176.47	534.10

* Lien of INR 29.10 million (31 March 2018: INR 26.92) are given in favor of SREI Equipment Private Limited and INR 132.10 (31 March 2018: Nil) in favor of Kotak Bank Limited.

Break-up of financial assets carried at amortised cost:

	As at 31 March 2019	As at 31 March 2018
Trade receivables (refer note 9)	12.93	0.57
Cash and cash equivalents (refer note 10)	104.42	21.61
ther financial assets (refer note 5A and 5B)	477.13	72.14
Total financial assets carried at amortised cost	594.48	94.32

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9. Trade receivables

	As at 31 March 2019	As at 31 March 2018
Trade receivables	12.93	0.57
Total trade receivables	12.93	0.57
Break-up for security details:		
Trade receivables		
Considered good - secured	-	-
Considered good - unsecured	12.93	0.57
Trade receivables which have significant increase in credit risk	20.18	-
Trade receivables-credit imparied	-	-
	33.11	0.57
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables which have significant increase in credit risk	(20.18)	-
	(20.18)	-
Total trade receivables	12.93	0.57

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

10. Cash and cash equivalent

	As at 31 March 2019	As at 31 March 2018
Cash on hand	24.58	4.44
Balances with banks		
- in current accounts	76.21	17.17
- in deposit accounts with original maturity of 3 months or less*	3.63	-
Total	104.42	21.61

* Fixed deposits of INR 3.63 million (31 March 2018: NIL) are provided by way of lien against bank guarantee.

Fixed deposits are made for short term ranging from one day to three months, depending on the immediate cash requirements of the Company, and earn interest at the rate fixed at the time of deposit.

11. Bank balances other than cash and cash equivalents

	As at 31 March 2019	As at 31 March 2018
Deposits with maturity more than 3 months to less than 12 months*	60.50	11.00
Deposits with remaining maturity for more than 12 months*	0.16	10.53
Sub-total	60.66	21.53
Less: amount disclosed under non - current financial assets (refer note 5A)	(0.16)	(10.53)
Total	60.50	11.00

* Fixed deposits of INR 60.66 million (31 March 2018: INR 21.23 million) are provided by way of lien against bank guarantee & VAT/CST registration.

12A. Other non-current assets

	As at 31 March 2019	As at 31 March 2018
Prepaid expenses	113.32	11.67
	113.32	11.67

12B. Other current assets

	As at 31 March 2019	As at 31 March 2018
Unsecured and considered good		
Prepaid expenses	81.19	11.48
	81.19	11.48
Other amounts recoverable in cash or in kind for value to be received		
- Unsecured, considered good	643.48	120.31
- Unsecured, considered doubtful	29.91	3.50
Less: Allowance for expected credit loss	(29.91)	(3.50)
	643.48	120.31
Balance with government authorities	60.12	68.45
Total	784.79	200.24

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(Amount in Indian Rupees Millions, unless stated otherwise)

13. Equity share capital

	As at 31 March 2019	As at 31 March 2018
Authorized capital		
Equity shares		
00,000 (31 March 2018: 500,000) equity shares of INR 10 each	5.00	5.00
Preference shares		
,500,000 (31 March 2018: 17,500,000) 0.001% Series A compulsorily convertible cumulative preference shares (CCCPS) of INR 10 each	175.00	175.00
3,500,000 (31 March 2018: 3,500,000) 0.001% Series A1 compulsorily convertible cumulative preference shares (CCCPS) of INR 10 each	35.00	35.00
1,810,000 (31 March 2018: Nil) 0.001% Series B compulsorily convertible cumulative preference shares (CCCPS) of INR 10 each	18.10	-
tal authorized share capital	233.10	215.00

During the year ended 31 March 2018, the authorized share capital has been increased by INR 25 million. The Company has reclassified its authorized share capital of Series A CCCPS amounting to INR) million to Series A1 CCCPS. This reclassification has been approved by board of directors in their meeting dated 9 January 2018 and by shareholders in their meeting dated 31 January 2018.

sued, subscribed and fully paid-up		
Equity shares		
186,055 (31 March 2018: 186,055) equity shares of INR 10 each	1.86	1.86
otal issued, subscribed and fully paid equity share capital	1.86	1.86
Equity component of convertible preference shares of INR 10 each issued and fully paid		
7,429,578 (31 March 2018: 17,429,578) 0.001% Series A compulsorily convertible cumulative preference shares (CCCPS) of INR 10 each	174.30	174.30
,333,333 (31 March 2018: 3,333,333) 0.001% Series A1 compulsorily convertible cumulative preference shares (CCCPS) of INR 10 each	33.33	33.33
1,801,801 (31 March 2018: Nil) 0.001% Series B compulsorily convertible cumulative preference shares (CCCPS) of INR 10 each	18.02	-
otal issued, subscribed and fully paid compulsorily convertible cumulative preference share capital	225.65	207.63

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

quity shares

	No. of shares	Amount
As at 1 April 2017	1,86,055	1.86
sued during the year	-	-
As at 31 March 2018	1,86,055	1.86
Issued during the year	-	-
s at 31 March 2019	1,86,055	1.86

Preference shares

Series A compulsorily convertible cumulative preference shares (CCCPS) of INR 10 each

	No. of shares	Amount
s at 1 April 2017	1,74,29,578	174.30
ssued during the year	-	-
As at 31 March 2018	1,74,29,578	174.30
sued during the year	-	-
s at 31 March 2019	1,74,29,578	174.30

Series A1 compulsorily convertible cumulative preference shares (CCCPS) of INR 10 each

	No. of shares	Amount
As at 1 April 2017	-	-
Issued during the year	33,33,333	33.33
at 31 March 2018	33,33,333	33.33
Issued during the year	-	-
As at 31 March 2019	33,33,333	33.33

Series B compulsorily convertible cumulative preference shares (CCCPS) of INR 10 each

	No. of shares	Amount
s at 1 April 2017	-	-
Issued during the year	-	-
As at 31 March 2018	-	-
sued during the year	18,01,801	18.02
As at 31 March 2019	18,01,801	18.02

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share and equal rights in distribution of profit/surplus in proportionate to the equity share held by shareholder. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after stribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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c) Terms/rights attached to Series A compulsorily convertible cumulative preference shares (CCCPS)
(i) During the financial year 2016-17, the Company issued 17,429,578 Series A CCCPS, of INR 10 each fully paid-up at a premium of INR 4.2 per share. CCCPS carry cumulative dividend @ 0.001% p.a. The Company declares and pays dividends in Indian rupees. The preferential dividend is cumulative and shall accrue from year to year whether or not paid.

(ii) Each holder of CCCPS are entitled to convert the CCCPS into equity shares on a 1:1 basis at any time at the option of the holder of the CCCPS or subject to the compliance of applicable laws. Each CCCPS shall automatically be converted into equity share, upon the earlier of (a) one day prior to the expiry of 20 years from the closing date or (b) in connection with an IPO, prior to the filing of a prospectus (or equivalent document by whatever name called) by the Company to the competent authority or such later date as may be permitted under applicable laws. The Series A CCCPS shall be converted into equity shares at the conversion price which shall be initial subscription price of Series A CCCPS and subject to the adjustment from time to time as provided herein. Subject to the applicable laws, the CCCPS holder shall not be entitled to vote on all matters that are submitted to the vote of the shareholders of the Company (including the equity shares).

(iii) In the event of the liquidation of the Company, total proceeds from such liquidation, shall be distributed prior to and in preference to any other shareholder the higher of following amount (a) liquidation proceeds pro rata to their respective equity securities liquidated (upon conversion) or (b) an amount equal to the amount paid by the respective investors for subscription of their respective equity securities (on an as-if-converted basis) liquidated pursuant to a liquidation event plus any arrear of declared and accrued/due dividend in respect of such equity securities. If the amount available for distribution to the shareholders are in-sufficient to pay the amount as stated above, the entire available proceed would be allocated and distributed among the shareholder in proportion to the amount entitled to each such shareholder.

d) Terms/rights attached to Series A1 compulsorily convertible cumulative preference shares (CCCPS)
(i) During the financial year 2017-18, the Company issued 33,33,333 Series A1 CCCPS, of INR 10 each fully paid-up at a premium of INR 140 per share. CCCPS carry cumulative dividend @ 0.001% p.a. The Company declares and pays dividends in Indian rupees. The preferential dividend is cumulative and shall accrue from year to year whether or not paid.

(ii) Each holder of CCCPS are entitled to convert the CCCPS into equity shares on a 1:1 basis at any time at the option of the holder of the CCCPS or subject to the compliance of applicable laws. Each CCCPS shall automatically be converted into equity share, upon the earlier of (a) one day prior to the expiry of 20 years from the closing date or (b) in connection with an IPO, prior to the filing of a prospectus (or equivalent document by whatever name called) by the Company to the competent authority or such later date as may be permitted under applicable laws. The Series A1 CCCPS shall be converted into equity shares at the conversion price which shall be initial subscription price of Series A1 CCCPS and subject to the adjustment from time to time as provided herein. Subject to the applicable laws, the CCCPS holder shall not be entitled to vote on all matters that are submitted to the vote of the shareholders of the Company (including the equity shares).

e) Terms/rights attached to Series B compulsorily convertible cumulative preference shares (CCCPS)
(i) During the financial year 2018-19, the Company issued 1,801,801 Series B CCCPS, of INR 10 each fully paid-up at a premium of INR 545 per share. CCCPS carry cumulative dividend @ 0.001% p.a. The Company declares and pays dividends in Indian rupees. The preferential dividend is cumulative and shall accrue from year to year whether or not paid.

(ii) Each holder of CCCPS are entitled to convert the CCCPS into equity shares on a 1:1 basis at any time at the option of the holder of the CCCPS or subject to the compliance of applicable laws. Each CCCPS shall automatically be converted into equity share, upon the earlier of (a) one day prior to the expiry of 20 years from the closing date or (b) in connection with an IPO, prior to the filing of a prospectus (or equivalent document by whatever name called) by the Company to the competent authority or such later date as may be permitted under applicable laws. The Series B CCCPS shall be converted into equity shares at the conversion price which shall be initial subscription price of Series A1 CCCPS and subject to the adjustment from time to time as provided herein. Subject to the applicable laws, the CCCPS holder shall not be entitled to vote on all matters that are submitted to the vote of the shareholders of the Company (including the equity shares).

f) Details of shareholders holding more than 5% shares in the Company

Equity shares

Name of shareholders	As at 31 March 2019		As at 31 March 2018	
	No of shares	% holding	No of shares	% holding
Oravel Stays Private Limited*	1,86,055	100%	1,86,055	100%

* 1 share held by Mr. Abhishek Gupta as nominee of the Holding Company.

Series A compulsorily cumulative convertible preference shares of INR 10 each fully paid up (CCCPS)

Name of shareholders	As at 31 March 2019		As at 31 March 2018	
	No of shares	% holding	No of shares	% holding
Oravel Stays Private Limited	1,74,29,578	100%	1,74,29,578	100%

Series A1 compulsorily convertible cumulative preference shares of INR 10 each fully paid up (CCCPS)

Name of shareholders	As at 31 March 2019		As at 31 March 2018	
	No of shares	% holding	No of shares	% holding
Oravel Stays Private Limited	33,33,333	100%	33,33,333	100%

Series B compulsorily convertible cumulative preference shares of INR 10 each fully paid up (CCCPS)

Name of shareholders	As at 31 March 2019		As at 31 March 2018	
	No of shares	% holding	No of shares	% holding
Oravel Stays Private Limited	18,01,801	100%	-	-

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

(g) Shares held by Holding Company

Name of shareholder	31 March 2019 (Amount in INR)	31 March 2018 (Amount in INR)
Oravel Stays Private Limited*		
186,055 (31 March 2018: 186,055) equity shares of INR 10 each fully paid up	1.86	1.86
17,429,578 (31 March 2018: 17,429,578) Series A preference shares of INR 10 each fully paid up	174.30	174.30
3,333,333 (31 March 2018: 3,333,333) Series A1 preference shares of INR 10 each fully paid up	33.33	33.33
1,801,801 (31 March 2018: Nil) Series B preference shares of INR 10 each	18.02	-

* 1 share held by Mr. Abhishek Gupta as nominee of the Holding Company.

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(Amount in Indian Rupees Millions, unless stated otherwise)

14. Other equity

	As at 31 March 2019	As at 31 March 2018
a. Retained earnings	(1,723.46)	(694.69)
b. Securities premium	1,520.02	538.54
her reserves		
c. Equity contribution from holding company	20.73	20.73
Total	(182.71)	(135.42)

a. Retained earnings

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	(694.69)	(327.52)
Add: Loss for the year	(1,029.27)	(367.22)
'd: items of other comprehensive income recognized directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax	0.50	0.05
Less: Dividend on CCCPS*	(0.00)	(0.00)
Balance at the end of year	(1,723.46)	(694.69)

*Amount is below rounding off norms adopted by the company

Securities premium

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	538.54	72.10
dd: premium on issue of CCCPS	981.98	466.67
Less: Share issue expenses	(0.50)	(0.23)
Balance at the end of year	1,520.02	538.54

c. Equity contribution from holding company

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	20.73	20.73
Add: additional contribution	-	-
Balance at the end of year	20.73	20.73

a. Retained earning: Retained earnings represent the amount of accumulated earnings of the Company.
Securities premium: Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013
c. Equity contribution from holding company: Equity contribution represent the amount of additional capital contribution by way of share warrants.

5. Borrowings- Non current

	As at 31 March 2019	As at 31 March 2018
rm Loan		
-from financial institutions	95.44	292.71
Less: Amount clubbed under other current financial liabilities (refer note 19)	(95.44)	(204.36)
otal	-	88.35

During the year 2016-17, the Company has taken term loan from Innoven Capital India Private Limited amounting to INR 550 million in two tranches as per details below. The loan is secured against existing and future ed assets, current and non-current assets including all brand, intellectual property and intellectual property rights with respect to these movables, present and future accounts, cash flows, receivables, book debts, evenues, equipment, inventory, contract rights or rights to payment of money, leases, license agreements, franchisee agreements, goodwill, uncalled capital, general intangibles, documents, instruments (including any promissory notes), chattel paper, cash, deposit accounts, fixtures, letter of credit rights, securities and all other investment properties, supporting obligations and financial assets etc. The loan is further fully secured by way of corporate guarantee of the Holding Company. Refer table below for rate of interest, tenure and terms of repayment:

Also, Innoven Capital India Private Limited also has right to subscribe such number of Series C2 compulsorily convertible cumulative preference shares of Oravel Stays Private Limited (i.e. the Holding Company) that mounts to INR 36 million to be issued by the Holding Company at subscription price of INR 394,887.97 per share. The right to subscribe is exercisable in whole or in part at any time and from time to time on or efore the expiration date of 8 years.

	Term loan 1	Term loan 2
mount of the sanctioned facility	INR 300 Mn	INR 250 Mn
Amount outstanding as at balance sheet date	INR 1.50Mn	INR 93.94Mn
Loan tenure	31months	36months
te of interest	15%	15%
Repayment installments and amount	31 equal monthly instalment of INR 9.68Mn starting from Oct 2016	34 equal monthly instalment of INR 7.35Mn starting from July 2017

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16A. Provisions- Non-current

	As at 31 March 2019	As at 31 March 2018
Employee benefit obligations		
Gratuity (refer note 30)	0.70	0.57
Provision for preference dividend*	0.00	0.00
	0.70	0.57

*Amount is below rounding off norms adopted by the company

16B. Provisions- Current

	As at 31 March 2019	As at 31 March 2018
Employee benefit obligations		
Gratuity (refer note 30)	0.01	0.00
Compensated absences	-	1.24
	0.01	1.24

17. Other non-current liabilities

	As at 31 March 2019	As at 31 March 2018
Lease equalization reserve	36.07	14.64
	36.07	14.64

18. Trade payables

	As at 31 March 2019	As at 31 March 2018
-total outstanding dues of micro enterprises and small enterprises (refer note 34)	1.53	0.67
-total outstanding dues of creditors other than micro enterprises and small enterprises*	3,088.84	1,021.95
	3,090.37	1,022.62

* include payable to related party INR 2,429.73 million (31 March 2018: INR 838.98 million)- refer note -32

Terms and conditions of the above financial liabilities:
Trade payables are interest bearing and are normally settled on 30 day terms.
For explanations on the Company's credit risk management processes, Refer note 37.

19. Other financial liabilities

	As at 31 March 2019	As at 31 March 2018
Current maturity of long term loan (refer note 15)	95.44	204.36
	95.44	204.36

Break-up of financial liabilities carried at amortised cost:

	As at 31 March 2019	As at 31 March 2018
Borrowings- non current (refer note 15)	-	88.35
Trade payables (refer note 18)	3,090.37	1,022.62
Other financial liabilities (refer note 19)	95.44	204.36
Total financial liabilities carried at amortised cost	3,185.81	1,315.33

20. Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Advances from customers	23.44	0.01
Lease equalization reserve	58.49	0.21
Statutory liabilities	43.20	8.79
	125.13	9.01

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21. Revenue from contracts with customers

	For the year ended 31 March 2019	For the year ended 31 March 2018
Disaggregated revenue information		
Type of services		
Revenue from hotel rooms	4,632.61	1,401.40
Food and beverages	610.64	163.88
Other operational revenue	116.11	15.13
	5,359.36	1,580.41
India	5,359.36	1,580.41
Outside India	-	-
Total	**5,359.36**	**1,580.41**
Timing of revenue recognition		
Services transferred over time	-	-
Services transferred at a point in time	5,359.36	1,580.41
	5,359.36	**1,580.41**

21.1 Contract balances

	For the year ended 31 March 2019	**For the year ended 31 March 2018**
Contract assets	26.25	7.35
Contract liabilities	23.44	0.01

Contract assets are recognised when there is excess of revenue earned over billings on contracts with customers. Unbilled receivables are classified as contract assets (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities are recognised when there is excess of invoicing over revenue earned on contracts with customers. Deferred revenue are classified as contract liabilitieswhere invoicing was made in advance or the advance received from the customers while performance of services is pending. Right of return assets and refund liabilities are not present in contracts with customers.

22. Other income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest from banks deposits	2.60	1.17
Profit on sale of current investments (net)	12.21	5.16
Fair valuation of investment in mutual funds	7.37	2.73
Interest income on security deposits	4.99	3.37
Miscellaneous income	1.74	-
	28.91	12.43

23. Operating expenses

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cost of revenue	2,001.13	567.16
Lease rentals	832.41	302.44
Property consumables	250.07	59.23
Food and beverage expense	551.89	132.94
Commission and brokerage	267.86	80.20
Electricity and power cost	447.97	125.57
Loss from bookings	14.41	22.10
Other direct expenses	448.67	97.37
	4,814.41	1,387.01

24. Employee benefits expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	315.87	89.93
Contribution to provident and other funds	25.79	7.78
Gratuity expense (refer note 30)	0.63	0.52
Staff welfare expenses	12.51	3.35
	354.80	101.58

25. Finance cost

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on loan	36.09	73.13
Bank charges	2.06	3.60
	38.15	76.73

26. Depreciation and amortization expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant & equipment (refer note 3)	308.01	105.62
Amortization of intangible assets (refer note 4)	0.07	0.07
	308.08	105.69

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27. Other expenses

	For the year ended 31 March 2019	For the year ended 31 March 2018
Office and warehouse rent	33.28	8.04
Printing & stationery expenses	0.06	0.91
Rates and taxes	39.57	7.82
Repairs and maintenance		
- Building	126.37	29.52
Advertising and sales promotion	3.16	0.62
Travelling and conveyance	2.37	3.01
Launch expense	0.55	-
Legal and professional fee	87.11	65.25
Outsourced manpower	532.97	149.02
Payment to auditor (refer detail below)	5.10	1.60
Loss on disposal of assets (net)	0.00	17.63
Exchange difference (net)	0.16	0.00
Provision for doubtful advances	25.86	3.50
Provision for expected credit loss	20.18	-
Recruitment & training expenses	23.35	0.21
Miscellaneous expenses	2.01	1.92
	902.10	289.05

Payment to auditor		
As auditor:		
- Statutory audit fee	5.00	1.50
- Tax audit fee	0.10	0.10
	5.10	1.60

28. Other Comprehensive Income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Component of retained earnings		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit liability	0.50	0.05
Total other comprehensive income	0.50	0.05

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(Amount in Indian Rupees Millions, unless stated otherwise)

29. Earning per share

Basic and Diluted EPS amounts are calculated by dividing the loss for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Loss attributable to equity holders for basic loss	(1,029.27)	(367.22)
Less: dividends on convertible preference shares & tax thereon	(0.00)	(0.00)
Loss attributable to equity holders	(1,029.27)	(367.22)
Weighted average number of equity shares at the year for the calculation of basic loss per share	1,86,055	1,86,055
Loss Per Share		
Basic	(0.01)	(0.00)
Diluted*	(0.01)	(0.00)

*There are potential equity shares as on 31 March 2019 and 31 March 2018 in the form of compulsory convertible cumulative preference shares. As these are anti-dilutive, they are ignored in the calculation of diluted earnings per share and accordingly, the diluted earnings per share is same as basic earnings per share.

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30. Employee benefits

Defined Contribution Plan : Provident fund

During the year, the Company has recognized INR 12.77 millions (31 March 2018: INR 4.58 million) as contribution to Employee Provident Fund in the statement of profit and loss.

Defined Benefit Plans - Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to maximum of INR 2 million at the time of separation from the Company.

The following tables summarise the components of net benefit expense recognized in the statement of profit or loss and the funded status and amounts recognized in the balance sheet for the respective plans:

Changes in the present value of the defined benefit obligation (unfunded gratuity) is, as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Defined benefit obligations as at the beginning of the year	0.57	0.10
Current service cost	0.59	0.51
Interest expense	0.04	0.01
Remeasurement (gain)/ loss - OCI	(0.50)	(0.05)
Defined benefit obligations as at 31 March 2019	0.70	0.57

Amount recognized in Statement of Profit and Loss:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	0.59	0.51
Net interest expense	0.04	0.01
Amount recognized in Statement of Profit and Loss	0.63	0.52

Amount recognized in Other Comprehensive Income:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Remeasurement of Net Benefit Liability/ Asset	(0.50)	(0.05)
Total	(0.50)	(0.05)

The principal assumptions used in determining gratuity and leave encashment obligations for the Company's plans are shown below:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate (in %)*	7.43%	7.66%
Salary Escalation (in %)	8.10%	7.50%
Withdrawal rate (in %)	36.00%	14.00%
Mortality rate of IALM 2006-08	100.00%	100.00%
Retirement age	58 years	58 years

*Discount rate is based on the prevailing market yields on government securities as at the above periods for estimates of defined benefit obligations.

Due to its defined benefit plans, the company is exposed to following significant risk

Change in Discount Rate : A decrease in discount rate will increase plan liability.

Salary Risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plans liability.

Withdrawal Rate : A decrease in withdrawal rate will increase plan liability.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate		
- Increase by 0.50%	(0.02)	(0.03)
- Decrease by 0.50%	0.02	0.03
Salary escalation rate		
- Increase by 1%	0.04	0.06
- Decrease by 1%	(0.04)	(0.05)
Attrition rate		
- Increase by 5%	(0.21)	(0.14)
- Decrease by 5%	0.28	0.17

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Year 1	0.01	0.00
Year 2	0.00	0.00
Year 3	0.00	0.00
Year 4	0.04	0.05
Year 5	0.14	0.11
After 5th Year	0.93	1.25
Total expected payments	1.12	1.41

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (31 March 2018: 12 years).

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31. Commitments and Contingencies

A. Leases

Operating lease — as lessee

The Company has entered into commercial lease agreements for properties taken by it on leases. These leases have an average life of between three and five years and are renewable by mutual consent. There are no contingent rents in the lease agreements. The lease term are renewable by mutual consent. There are no restrictions imposed by lease agreements. There are no subleases. Lease payments recognized in the statement of profit and loss for year ended 31 March 2019 are INR 730.49 million (31 March 2018: INR 252.96 million)

The Company has entered into commercial lease agreements for equipments and furniture's taken by it on leases. These leases have an average life of between six months and three years and are renewable by mutual consent. There are no restrictions placed upon the Company by entering into these leases. Total lease payments recognized in the statement of profit and loss for the year ended 31 March 2019 under such agreements is INR 101.92 million (31 March 2018: INR 49.48 million).

The Company has entered into commercial lease agreements for warehouse taken by it on leases. These leases have an average life of one year and renewable by mutual consent. There are no restrictions placed upon Company by entering into these leases. Lease payments for year ended 31 March 2019 are INR 33.28 million (31 March 2018: INR 8.04 million)

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Within one year	1,036.25	215.26
After one year but not more than five years	2,215.47	411.14
More than five years	121.37	-
	3,373.09	626.40

B. Contingent liabilities

	As at 31 March 2019	As at 31 March 2018
Bank guarantees	61.47	60.00
Total	61.47	60.00

C. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

D. Capital commitments

	As at 31 March 2019	As at 31 March 2018
Property, plant & equipment (net of advance)	771.92	83.83
Total	771.92	83.83

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32. Related party transactions

a) Names of related parties and related party relationship

Related parties where control exists	
Holding Company	Oravel Stays Private Limited
Other related parties with whom transactions have taken place:	
Fellow subsidiaries	OYO Apartment Investments LLP OYO OTH Investments I LLP OYO Midmarket Investments LLP
Key Management Personnel	Mr. Abhishek Gupta (Director) Mr. Anuj Tejpal (Director)

b) Related party transactions:

	Holding Company		Fellow subsidiaries		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Purchase of services (commission)						
Oravel Stays Private limited	262.03	79.13	-	-	262.03	79.13
Secondment fees paid						
Oravel Stays Private Limited	123.83	53.20	-	-	123.83	53.20
Purchase of services (Rent)						
OYO OTH Investments I LLP	-	-	48.80	-	48.80	-
Preference share capital allotted during the year						
Oravel Stays Private Limited	18.02	33.33	-	-	18.02	33.33
Premium received on share capital						
Oravel Stays Private Limited	981.98	466.67	-	-	981.98	466.67
Payment made by group companies on behalf of us						
Oravel Stays Private Limited	-	1.03	-	-	-	1.03
Payment made on behalf of group companies						
Oravel Stays Private Limited	-	0.15	-	-	-	0.15
OYO OTH Investments I LLP	-	-	2.41	-	2.41	-
OYO Midmarket Investments LLP	-	-	0.27	-	0.27	-
OYO Apartment Investments LLP	-	-	8.52	-	8.52	-
Sale of hotel rooms						
Oravel Stays Private Limited	693.16	47.11	-	-	693.16	47.11
Sale of consumables						
Oravel Stays Private Limited	-	4.05	-	-	-	4.05
OYO Apartment Investments LLP	-	-	0.45	-	0.45	-
Purchase of consumables						
Oravel Stays Private Limited	3.47	0.74	-	-	3.47	0.74
Expenses incurred on behalf of group company						
OYO Apartment Investments LLP	-	-	0.87	-	0.87	-
Expenses incurred by group company						
Oravel Stays Private Limited	93.76	-	-	-	93.76	-
Sale of property, plant and equipment (including capital work in progress)						
OYO OTH Investments I LLP	-	-	281.50	-	281.50	-
OYO Midmarket Investments LLP	-	-	143.10	-	143.10	-

(c) Balance outstanding at the year end

Particulars	Holding Company		Fellow subsidiaries		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Trade payable						
Oravel Stays Private Limited	2,429.73	838.98	-	-	2,429.73	838.98
Recoverable from group companies						
OYO Apartment Investments LLP	-	-	9.84	-	9.84	-
OYO OTH Investments I LLP	-	-	27.85	-	27.85	-
OYO Midmarket Investments LLP	-	-	161.75	-	161.75	-

Note: Refer note 15 for corporate guarantee and right to subscribe shares of the Holding Company given to Innoven Capital India Private Limited against loan taken by Company.

Terms and conditions

Goods and services were sold to the related parties during the year based on the price lists in force / other appropriate basis, as applicable, and terms that would be available to third parties. Management fees were charged by holding company on cost basis.

All other transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and settled in cash, which are settled on receipt or provision of service by the parties.

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33. Unhedged foreign currency exposure

The Company does not use derivative financial instruments such as forward exchange contracts or options to hedge its risks associated with foreign currency fluctuations or for trading/speculation purpose.

The amount of foreign currency exposure not hedged by derivative instruments or otherwise is as under:

Particulars	As at 31 March 2019	As at 31 March 2018
Loan & Advances	EURO 5,940 @ INR 77.75 per Euro (INR 0.46 Mn)	EURO 29,732 @ INR 79.98 per Euro (INR 2.38 Mn)

34. Dues to Micro, Small and Medium Enterprises

The dues to Micro, Small and Medium Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

	As at 31 March 2019	As at 31 March 2018
Amount due and payable at the year end		
- Principal	1.30	0.62
- Interest on above principal	0.01	0.01
Payments made during the year after the due date		
- Principal	17.69	2.68
- Interest	-	-
Interest due and payable for principals already paid	0.22	0.04
Total Interest accrued and remained unpaid at year end	0.23	0.05

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35. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Financial assets				
Investment in mutual funds	176.47	534.10	176.47	534.10
Other financial assets				
Trade receivables	12.93	0.57	12.93	0.57
Security deposits	161.88	47.95	161.88	47.95
Total	351.28	582.62	351.28	582.62

	Carrying value		Fair value	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Financial liabilities				
Trade payables	3,090.37	1,022.62	3,090.37	1,022.62
Borrowings	-	88.35	-	88.35
Other financial liabilities	95.44	204.36	95.44	204.36
Total	3,185.81	1,315.33	3,185.81	1,315.33

The management assessed that cash and cash equivalents, long term deposits with banks, bonds, unbilled revenue, recoverable from group companies, trade receivables, employee related payables, trade payables and borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Receivables/Borrowings are evaluated by the company based on parameters such as interest Rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

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36. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2019:

	Date of valuation	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Financial assets and liabilities measured at fair value through profit or loss (FVTPL)	31 March 2019				
Investment in mutual funds		176.47	-	176.47	-
Financial assets and liabilities measured at amortized cost	31 March 2019				
Trade receivables		12.93	-	12.93	-
Security deposits		161.88	-	161.88	-
Trade payables		3,090.37	-	3,090.37	-
Borrowings		-	-	-	-
Other financial liabilities		95.44	-	95.44	-

There are no transfers between levels 1, 2 and 3 during the year.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2018:

	Date of valuation	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Financial assets and liabilities measured at fair value through profit or loss (FVTPL)	31 March 2018				
Investment in mutual funds		534.10	-	534.10	-
Financial assets and liabilities measured at amortized cost	31 March 2018				
Trade receivables		0.57	-	0.57	-
Security deposits		47.95	-	47.95	-
Trade payables		1,022.62	-	1,022.62	-
Borrowings		88.35	-	88.35	-
Other financial liabilities		204.36	-	204.36	-

There are no transfers between levels 1, 2 and 3 during the year.

The company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Specific valuation techniques used to value financial instrument include:

(i) Fair value of security deposits paid having maturity of more than 12 months has been determined based on cash flows discounted using bank deposit rate.

(ii) Investment in mutual funds are fair valued on mark to market basis.

(iii)Trade receivables, trade payables and other financial liabilities are carried at amortized cost.

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37. Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables, employee liabilities and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables and cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include trade payables and trade receivables

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, company have fixed rate interest bearing long term and short term debts. A change in interest rates at the reporting date would not affect significantly on profit or loss and equity.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

At 31 March 2019 and 31 March 2018, foreign currency exposure is not hedged by a derivative instrument.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

		Impact on profit and loss	
	Change in Exchange rate	For the year ended 31 March 2019	For the year ended 31 March 2018
EURO Sensitivity	+5%	0.02	0.12
	-5%	(0.02)	(0.12)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions.

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

The Company monitors its risk of a shortage of funds doing a liquidity planning exercise.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of short term and long term loans and borrowings. The Company's treasury function reviews the liquidity position on an ongoing basis. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	0 to 1 year	More than 1 year	Total
As at 31 March 2019			
Borrowings	-	-	-
Trade payables	3,090.37	-	3,090.37
Other financial liabilities	95.44	-	95.44
	3,185.81	-	3,185.81
As at 31 March 2018			
Borrowings	-	88.35	88.35
Trade payables	1,022.62	-	1,022.62
Other financial liabilities	204.36	-	204.36
	1,226.98	88.35	1,315.33

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company is not exposed to excessive concentration since the customers of the Company are not engaged in similar business activities. The Company derives its revenues and corresponding trade receivables from a large number of customers scattered in different geographical locations.

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38. Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

a) **Impairment of non-financial asset**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

b) **Defined benefit liabilities (gratuity benefits)**

The cost and present value of the defined benefit gratuity plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations is given in Note 30.

c) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

(This space has been intentionally left blank)

(Amount in Indian Rupees Millions, unless stated otherwise)

39. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, preference shares, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company return capital to shareholders or issue new shares. There are no financial covenants attached to interest-bearing loans and borrowings that define capital structure requirements.

	As at 31 March 2019	As at 31 March 2018
Total financial liabilities	3,185.81	1,315.33
Less: cash and cash equivalents	104.42	21.61
Net debt	3,081.39	1,293.72
Total equity	44.80	74.07
Gearing ratio	99%	95%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018

40. Subsequent to year ended 31 March 2019, the Company changed its name from Alcott Town Planners Private Limited to OYO Hotels and Homes Private Limited w.e.f. 15 July 2019 post approval of the Board of Directors and the Shareholder through Extra Ordinary General Meeting (EGOM) conducted on 5 July 2019.

41. During the year, the Holding company (Oravel Stays Private Limited) has filed Composite Scheme of Arrangement (Demerger) amongst the Company and Holding company and their respective shareholders and creditors (Composite Scheme) with Hon'ble court of Gujrat at Ahemdabad and National Company Law Tribunal (NCLT). The entire hotel and other businesses of the Holding company shall demerged and will be merged with the Company as part of Scheme of Arrangement. Since, approval of the Scheme is still awaited, accordingly, no adjustment has been made in these financial statement.

42. Segment reporting

Ind AS 108 establishes standards for the way that companies report information about operating segments and related disclosures about products and services and major customers. The Company's operations pre-dominantly relate to providing of accommodation service. Although the Company's segments as reviewed by Chief Operating Decision Maker (CODM) are accomodaion services and food services, the food services is not capable of generating revenue on its own and is only incidental to the accomodation revenue. Hence, the food segment does not meet the creteria for opearting segment under which an entity that engages in business activities from which it may earn revenues and incurr expenses since its revenue is entirely dependent only if the Company earns accomodation revenue. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment. Further, as the Company does not operate in more than one geographical segment hence the relevant disclosures as per Ind AS 108 are not applicable to the Company

43. Transfer of property, plant and equipment

During the year ended 31 March 2019, the Company had entered into agreement with OYO OTH Investment I LLP and OYO Midmarket Investment LLP (the fellow subsidiary Limited liability partnership firms) for transfer of certain property, plant and equipments. The Company was not able to transfer all assets forming part of the agreement till Balance Sheet date and were transfered subsequent to year end.

44. Previous year

The previous year's figures have been re-grouped/reclassified, where necessary to conform to current year's classification.

For S.R. Batliboi & Associates LLP
Firm Registration No.: 101049W/E300004
Chartered Accountants

per Yogesh Midha
Partner
Membership No. 94941

S.R. BATLIBOI & CO. LLP NEW DELHI

Place: New Delhi
Date: 30 July 2019

For and on behalf of the board of directors of
OYO Hotels and Homes Private Limited

Abhishek Gupta
Director
DIN :07406331

Anuj Tejpal
Director
DIN : 07505290

Shivam Kumar
Company Secretary
Membership No. 37514

OYO Hotels And Homes Private Limited

Place:
Date: